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PEPSI BOTTLING GROUP

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**THIRD AMENDMENT TO AGREEMENT BETWEEN  
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
AND PEPSI BOTTLING GROUP**

This Third Amendment to the above reference agreement is by and between The Pepsi Bottling Group ("Contractor") and The Regents of the University of California on behalf of its Santa Cruz campus, a California corporation ("University") effective as of the latest date of execution set forth below.

**RECITALS**

- A. University and Contractor entered into that certain Beverage Vending Service Agreement dated January 1, 2005, (the "Agreement") for services as more particularly described in the Agreement.
- B. The parties have agreed to make certain other modifications to the Agreement to extend the term and existing pricing.

**NOW, THEREFORE**, in consideration of the promises herein contained and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

- 1. Definitions: Except as expressly modified herein, terms defined in the Agreement shall have the same meanings when used in this Amendment.
- 2. Term: This amendment serves as a written notice, exercising the last option of the Agreement, whereby extending the term for an additional two (2) year period. The term of this agreement shall be modified to extend to December 31, 2011. Upon completion date of this last term, the Agreement will be considered terminated.
- 3. Amendment: Except as modified hereby, all of the terms and conditions of the Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment effective as of the latest date of execution set forth below.

THE REGENTS OF THE UNIVERSITY  
OF CALIFORNIA, ON BEHALF OF ITS  
SANTA CRUZ CAMPUS

By: [REDACTED]

Name: Nancy Nieblas

Title: Strategic Sourcing Buyer

Date: 1/8/10

CONTRACTOR  
THE PEPSI BOTTLING GROUP

By: [REDACTED]

Name: Marcie Escalante

Title: Key Account Manager

Date: 1/8/10

### AMENDMENT AND GENERAL RELEASE

This Amendment and General Release agreement ("Amendment") is entered into on this 27 day of January, 2008 ("Amendment Effective Date"), and is made as a compromise and settlement by, between, and among The Regents of the University of California, Santa Cruz Campus ("Customer") and Bottling Group, LLC d/b/a The Pepsi Bottling Group, a corporation organized under the laws of Delaware ("PBG"), and as an addendum to the Agreement entered into between the same Parties dated January 1, 2005 (referred to as the "Original Agreement"). Any capitalized terms used in this Addendum not otherwise defined herein will have the same meaning assigned to them in the Original Agreement.

Accordingly, the Original Agreement shall be supplemented or amended as follows.

### RECITALS

WHEREAS, as part of the Original Agreement, PBG agreed to pay the Customer specific commissions based on the sales of its beverage products through vending machines installed at applicable Customer's locations (the "Commissions"); and

WHEREAS, PBG has conducted an audit and determined a discrepancy in the way certain Commissions were calculated (the "Commission Discrepancy"); and

WHEREAS, the Parties are desirous of amicably resolving the Commission Discrepancy and have agreed to a new commission structure so as to avoid any discrepancies in the future.

NOW, THEREFORE, in consideration of the Recitals, the mutual promises, obligations and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intended to be legally binding, the Customer and Pepsi hereto voluntarily and knowingly enter into the following Amendment and agree as follows:

### AMENDMENT

**1. New Commission Structure.** Section 11 of the Original Agreement ("Commissions") shall be deleted in its entirety and replaced as follows:

PBG agrees to pay to Customer a commission, as a percentage of actual cash-in-bag ("CIB") collected by PBG from the Vending Equipment placed on applicable Customer locations, less any applicable fees or deposits ("Commissions"). Such Commissions shall be at the rate of Forty-Four Percent (44%) (the "Commission Rate") and shall be calculated as follows:

$$\text{CIB} * \text{Commission Rate} - \text{applicable CRV} = \text{Commissions due}$$

Commissions shall be remitted by PBG to Customer pursuant to the frequency and time periods set forth in the Original Agreement. PBG shall make all pertinent revenue and sales records respecting the Vending Equipment available to Customer. Customer agrees that it is responsible for reviewing such records and that any claim or dispute relating to the Commissions must be brought by Customer in writing within one year of the date such Commissions payment is due.

**2. Release by the Customer.** For the entire time period prior to the Amendment Effective Date, the Customer shall, and hereby does, on behalf of itself, its parent(s), subsidiaries, predecessors, successors, assigns, divisions, units, affiliated or related corporations or companies, as well as its trustees, partners, officers, directors, attorneys, stockholders, employees, and agents and representatives, forever release, acquit, and discharge PBG, and PBG's parent(s), subsidiaries, predecessors, successors, assigns, divisions, units, affiliated or related corporations or companies, as well as Pepsi's trustees, partners, officers, directors, attorneys, stockholders, employees, and agents and representatives, from any and all claims, rights, demands, covenants, agreements, contracts, representations, promises, liens, accounts, debts, dues, bills, accounts, trespasses, liability, damages, expenses, costs, actions, and causes of action of every kind and nature whatsoever, whether



known or unknown, suspected or unsuspected, anticipated or unanticipated, whether at law or in equity, and whether arising out of the Commission Discrepancy or otherwise related to the Original Agreement or the Commissions (the "Release"). It is the Parties' intention that this Release be fully enforceable notwithstanding the discovery or existence of any additional or different claims or facts relative thereto.

**3. SECTION 1542 WAIVER.** Customer acknowledges that it is familiar with Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Customer, for itself and each of the Customer's representatives expressly waives any and all rights or benefits which Customer or the Customer's representatives has or may have or may have been conferred upon them by the provisions of Section 1542 of the California Civil Code or any other statute or common law principle of similar effect. In connection with such waiver, Customer acknowledges that he may later discover facts different from or in addition to those which he knows or believes to be true with respect to the Claims, and Customer agrees that, in such event, this Agreement shall nevertheless remain effective in all respects notwithstanding such different or additional facts or the discovery of those facts.

**4. Total Consideration.** In full and final settlement of any all claims and the Commission Discrepancy, and in full consideration for the Release, covenants and stipulations set forth in the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PBG shall make a one-time payment to the Customer in the total sum of Nine Thousand, Nine Hundred Forty-Eight Dollars and Thirteen Cents (US \$9,948.13).

**5. Confidentiality Obligations.** The exact terms and conditions of this Amendment, and the circumstances and negotiation relating to the Amendment, the Commission Discrepancy and the Total Consideration shall at all times be treated as confidential and shall not be disclosed by either Party, except by Court Order or ruling, the express prior written consent of the Parties, or as required by the rule of any stock exchange on which either Party is listed or by rule of any other regulatory body.

**6. No Admission.** The Parties acknowledge and agree that the Amendment is entered into as part of a compromise and settlement. The Parties further acknowledge and agree that the acceptance of the Amendment and the Release provided for herein shall not be used by either Party or construed or deemed to be evidence of an admission of any fact, matter, or thing. Neither this Amendment nor any of its terms shall be offered or received as evidence in any proceeding in any forum as an admission of any liability or wrongdoing.

**7. Representations and Warranties.** Each Party represents to the other Party that it has full power and authority, and has taken all required corporate and other actions necessary to permit it to execute and carry out the terms of this Agreement. The Parties further represent, warrant, and agree that they have executed this Agreement voluntarily, and on the advice of their counsel. The Parties further acknowledge that the consideration recited in this Agreement is the sole and only consideration for this Agreement, and no further representations, promises, or inducements have been made by either Party than those that appear herein. The terms of this Amendment are contractual and intended to be fully enforceable.

**8. Construction.** This Amendment shall be construed without regard to the Party or Parties responsible for its preparation and shall be deemed as prepared jointly by the Parties hereto. Any ambiguity or uncertainty herein shall not be construed or interpreted against either Party hereto on the basis that such Party drafted this Agreement. The Parties to this Amendment acknowledge that they are represented by counsel of their choice, and they have consulted with their own attorney(s) about this Amendment before signing it. Each Party hereto executes this Amendment with full knowledge of its terms and conditions and their significance with the express intention of effecting its legal consequences.

9. **Severability.** Whenever possible, each provision of this Amendment will be interpreted in such manner as to be effective, valid and enforceable under applicable law, but if any provision(s) of this Amendment is held to be prohibited by, or invalid or unenforceable under, applicable law, the remaining provisions of this Amendment shall remain fully enforceable, except that if Section 2 of this Agreement is held invalid or unenforceable, the Parties shall seek to agree on an alternative valid and enforceable legal provision that preserves the original purpose and intent of the Release.

10. **Counterparts.** The Parties hereto may execute this Amendment in counterparts and in duplicate, with each receiving a copy with original signatures from the other Party, and retaining a copy of the original signatures by such Party. Execution of the Amendment in this manner shall be binding as if the Parties had both executed this Amendment on the same page.

11. All terms, conditions, and provisions of the Original Agreement, unless specifically amended herein, shall remain unchanged. In the event of any conflict between the language of this Amendment and the Original Agreement, the language of this Amendment shall control.

**IN CONSIDERATION OF THE FOREGOING TERMS AND CONDITIONS,** The Parties have caused this Amendment to be executed by duly authorized representatives of the Parties on the dates as set forth below.

**For The Regents of the University of California, Santa Cruz Campus**

By: 

Print Name: Deb Newman

Title: Strategic Sourcing Buyer

Date: March 12, 2008

**For Bottling Group, LLC d/b/a The Pepsi Bottling Group**

By: 

Print Name: Marc Escalante

Title: Key Account Manager

Date: 3/30/08



### Amendment

This amendment (the "Amendment") effective as of July 1, 2006, hereby amends the agreement entered into between Bottling Group, LLC d/b/a The Pepsi Bottling Group ("PEPSI BOTTLING GROUP") and The Regents of the UNIVERSITY of California, on behalf of its Santa Cruz Campus (the "UNIVERSITY") for the period January 1, 2005 through December 31, 2007, with an option for two (2) two-year extensions through December 31, 2011 (the "Term") (the "Agreement"), as follows:

1. **Locations.** The Existing Beverage Vending Locations as listed in Exhibits 1 and 2 and the Non Vending Beverage Service Locations are hereby amended to include all athletic venues where UNIVERSITY's teams play their home games, including stadiums, fields, gymnasiums and other locations where such teams play. The Beverage Products shall be the only beverages of their types to be sold, distributed, advertised or promoted at any athletic venue associated with the UNIVERSITY. At such times as NCAA championship games are conducted at one of the Locations, PEPSI BOTTLING GROUP's exclusive beverage rights will extend to such events only to the extent that the UNIVERSITY is granted permission by the NCAA to operate the concessions at such event. PEPSI BOTTLING GROUP will have the right to place a minimum of ten (10) additional vending machines at the UNIVERSITY's athletic venues.

2. **Performance.** Section 7 of the Agreement is hereby amended by adding the following paragraph:

"(g) The UNIVERSITY shall provide PEPSI BOTTLING GROUP with signage opportunities at its athletic venues and with tickets and other hospitality benefits associated with the UNIVERSITY's teams as reasonably requested by PEPSI BOTTLING GROUP."

3. **Funding.** Section 8 of the Agreement is hereby amended by adding the following new subsection 8.6:

#### "8.6 Athletic Sponsorship Fee

PEPSI BOTTLING GROUP shall pay the UNIVERSITY an annual athletic sponsorship fee as follows (the "Athletic Sponsorship Fee"):

Amount of Athletic Sponsorship Fee	Period Covered	Payment Due Date – within thirty (30) days of:
\$4,000	July 1, 2006 – December 31, 2006	Execution of this Amendment by both parties
\$8,000	January 1, 2007 – December 31, 2007	January 1, 2007
<b>If first option to renew is exercised:</b>		
\$8,000	January 1, 2008 – December 31, 2008	January 1, 2008
\$8,000	January 1, 2009 – December 31, 2009	January 1, 2009
<b>If second option to renew is exercised:</b>		
\$8,000	January 1, 2010 – December 31, 2010	January 1, 2010
\$8,000	January 1, 2011 – December 31, 2011	January 1, 2011

The Athletic Sponsorship Fee will be paid in a separate check to the UNIVERSITY each Year and will not be combined with other annual payments due to the UNIVERSITY under the Agreement. If UNIVERSITY breaches the Agreement, the UNIVERSITY will pay PEPSI BOTTLING GROUP the unearned portion of the Athletic Sponsorship Fee paid in the Year in which the Agreement is terminated.

The amount of such reimbursement shall be determined by multiplying Eight Thousand Dollars (\$8,000) by a fraction, the numerator of which is the number of months remaining in the Year in which the Agreement is terminated at the time such termination occurs and the denominator of which is 12."


4. **Commission.** Section 11 of the Agreement is hereby amended by adding the following sentence at the end of the Section: "Commissions will not be paid on vending machines placed at the UNIVERSITY's athletic venues."

5. **Contract Termination.** The second paragraph of Section 18 of the Agreement is hereby amended by inserting the following phrase at the end of the sentence in such paragraph: "and the unearned portion of the Athletic Sponsorship Fee as set forth in Section 8.6 herein."


All other terms and conditions of the Agreement shall remain in full force and effect throughout Term.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed as of the date first above written.

**BOTTLING GROUP, LLC d/b/a  
THE PEPSI BOTTLING GROUP**

BY   
Signature  
NAME: Tim Rodriguez  
TITLE: FAH  
DATE: 6/29/06

**REGENTS OF THE UNIVERSITY OF  
CALIFORNIA ON BEHALF OF ITS  
SANTA CRUZ CAMPUS**

BY   
Signature  
NAME: William B. Hale  
TITLE: Business Contracts Administrator  
DATE: 6/29/06



**Exhibit 1 - Existing Beverage Vending Locations**

ARCaFe	20oz BEVERAGE
APPLIED SCIENCE 1 <sup>ST</sup> FL	20oz BEVERAGE
APPLIED SCIENCE 3 <sup>RD</sup> FL	JUICE
APPLIED SCIENCE 3 <sup>RD</sup> FL	20oz BEVERAGE
COLLEGE 10 GAME ROOM	20oz BEVERAGE
COLLEGE 8 CAFÉ	20oz BEVERAGE
COLLEGE 8 DORM AL	20oz BEVERAGE
COLLEGE 8 DORM DL	20oz BEVERAGE
COLLEGE 9 1 <sup>ST</sup> FL	20oz BEVERAGE
COLLEGE 9 DORM 5 LAUNDRY	20oz BEVERAGE
COMMUNICATIONS	20oz BEVERAGE
COWELL HEALTH CENTER	20oz BEVERAGE
CROWN FIRESIDE LOUNGE	20oz BEVERAGE
CROWN LAUNDRY	20oz BEVERAGE
EARTH MARINE SCIENCE 3 <sup>RD</sup>	JUICE
EARTH MARINE SCIENCE 3 <sup>RD</sup>	20oz BEVERAGE
FAMILY HOUSING	20oz BEVERAGE
GARAGE / 1156 HIGH STREET	CAN BEVERAGE
GRADUATE STUDENT LAUNDRY	CAN BEVERAGE
HAHN STUDENT SERVICES	BOTTLE BEVERAGE
HAHN STUDENT SERVICES	20oz BEVERAGE
KERR HALL 2 <sup>ND</sup> FLOOR	20oz BEVERAGE
KRESGE LAUNDRY	20oz BEVERAGE
LIBRARY	CAN BEVERAGE
LIBRARY	20oz BEVERAGE
LIBRARY BASEMENT	20oz BEVERAGE
LONGS MARINE LAB	20oz BEVERAGE
MERRILL COLLEGE DORM B	20oz BEVERAGE
MERRILL COLLEGE DORM B	20oz BEVERAGE
MUSIC CENTER	CAN BEVERAGE
MUSIC CENTER	20oz BEVERAGE
NATURAL SCIENCE 2-2 <sup>ND</sup> FL	20oz BEVERAGE
OAKES CASA HUERTA	20oz BEVERAGE
OAKES COLLEGE-OUTSIDE	20oz BEVERAGE
PARKMAN	20oz BEVERAGE
PERFORMING ARTS	CAN BEVERAGE
PERFORMING ARTS	CAN BEVERAGE
PORTER COLLEGE LOBBY	20oz BEVERAGE
SINSHEIMER 3 <sup>RD</sup> FL	20oz BEVERAGE
STEVENSON DORM 1	BOTTLE TROP
STEVENSON DORM 5	20oz BEVERAGE
STEVENSON HALLWAY	20oz BEVERAGE

THE VILLAGE BREAKROOM	20oz BEVERAGE
THIMAN LAB 1 <sup>ST</sup> FL	CAN BEVERAGE
THIMAN LAB 1 <sup>ST</sup> FL	CAN BEVERAGE
TURNER LAUNDRY	20oz BEVERAGE
UNIVERSITY BUSINESS PARK	20oz BEVERAGE
UNIVERSITY BUSINESS PARK	20oz BEVERAGE



**AMENDMENT TO AGREEMENT BETWEEN  
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
AND PEPSI BOTTLING GROUP**

**THIS AMENDMENT TO THE AGREEMENT** is by and between The Pepsi Bottling Group ("Pepsi Bottling Group") and The Regents of the University of California on behalf of its Santa Cruz campus, a California corporation ("University") effective as of the latest date of execution set forth below.

**RECITALS**

- A. University and Pepsi Bottling Group entered into that certain Beverage Vending Service Agreement dated January 1, 2005 (the "Agreement") for services as more particularly described in the Agreement which the parties have agreed to modify to extend the term through December 31, 2009.

**NOW, THEREFORE**, in consideration of the promises herein contained and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions: Except as expressly modified herein, terms defined in the Agreement shall have the same meanings when used in this Amendment.
2. Term: In Section 1: The Parties hereby agree to extend the Term to continue through December 31, 2009. University shall have the option to continue this agreement for an additional two (2) year period upon written notice to Pepsi Bottling Group prior to expiration of the then current Term.
3. Amendment: Except as modified hereby, all of the terms and conditions of the Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment effective as of the latest date of execution set forth below.

THE REGENTS OF THE UNIVERSITY  
OF CALIFORNIA, ON BEHALF OF ITS  
SANTA CRUZ CAMPUS

By: \_\_\_\_\_

Name: William B. Hale

Title: Business Contracts Administrator

Date: 9/28/07

CONTRACTOR  
PEPSI BOTTLING GROUP

By: \_\_\_\_\_

Name: Aimee Sahns

Title: KAM

Date: 9/27/07

SIGNATURES OF CONCURRENCE

By: \_\_\_\_\_ 10/2/07  
Sue Matthews, Executive Director, University Housing Services (Date)

## **AGREEMENT**

This sets forth the agreement (hereinafter "Agreement") between Bottling Group, LLC, d/b/a The Pepsi Bottling Group, a Delaware limited liability company with an office located at 5000 Hopyard Road, Suite 270, Pleasanton, CA 94588 (hereinafter "PEPSI BOTTLING GROUP") and The Regents of the UNIVERSITY of California, on behalf of its Santa Cruz Campus with its principal place of business at 1156 High Street, Santa Cruz, California 95064 (hereinafter "UNIVERSITY") relating to (i) the purchase by the UNIVERSITY from PEPSI BOTTLING GROUP of "Postmix Products" (as defined below) and "Packaged Products" (as defined below) and (ii) the vending of beverage products in and around the buildings and grounds of the "Locations" (as defined below).

### **Definitions**

As used in this Agreement, the following capitalized terms shall have the respective meanings assigned thereto below.

"Beverage Products" shall mean Postmix Products and Packaged Products. Beverage Products shall not include hot coffee, hot tea and hot chocolate.

"Cases" shall mean the number of cases of Packaged Products purchased by the UNIVERSITY from PEPSI BOTTLING GROUP. (One case equals 24 count.)

"Fountain Products" shall mean those fountain beverage products prepared using the Postmix Products (as defined herein).

"Gallons" shall mean gallons of the Postmix Products purchased by the UNIVERSITY from PEPSI BOTTLING GROUP.

"Locations" shall mean the Existing Beverage Vending Locations as listed in Exhibit 1, the Additional Vending Machines as listed in Exhibit 2, and Non Vending Beverage Service Locations at those locations operated by the UNIVERSITY as more specifically listed in Agreement Specifications set forth herein

"Packaged Products" shall mean soft drinks, teas, isotonic, RTD coffees, juices, healthy refreshment beverages, Aquafina water and energy drinks as listed in Attachment B, which may be amended by PEPSI BOTTLING GROUP from time to time. "Packaged Products" has the identical meaning as "Bottled Beverages," as the latter term is used in UNIVERSITY's October 2004 Request for Bids.

"Postmix Products" shall mean soft drinks, teas and juice products as listed in Attachment A which may be amended by PEPSI BOTTLING GROUP from time to time with the approval of the University (see: section 3, for authorized representatives). "Postmix Products" has the identical meaning as "Dispenser Beverages," as the latter term is used in UNIVERSITY's October 2004 Request for Bids.



"Year" shall mean each 12-month period during the Term commencing on the first day of the Term or an anniversary thereof.

### **1. Term**

The term of this Agreement shall commence on January 1, 2005 and expire on December 31, 2007, with an option for two (2) two-year extensions through December 31, 2011, as determined by the UNIVERSITY (the "Term"). Prior to the expiration of the Term, the UNIVERSITY will present a letter on intent, to extend existing contract. Contract will expire at the end of the Term, if the UNIVERSITY determines that extending the contract is not in the best interest of the UNIVERSITY. It is understood that the UNIVERSITY had requested a Sponsorship Fee paid at time of execution of this Agreement in support of a seven-year Agreement. As such, if the UNIVERSITY determines not to extend the Agreement through December 31, 2011, UNIVERSITY agrees to return to Pepsi the unearned portion of the Sponsorship Fee as set forth in Section 8.1 herein.

### **2. Scope**

During the Term, UNIVERSITY shall purchase Postmix Products for use in preparing Fountain Products and Packaged Products from PEPSI BOTTLING GROUP sold under the trademarks of PepsiCo, Inc. or other third party licensor to be sold in the UNIVERSITY's existing Locations, as such Locations are described in the Definitions section set forth above and any future dining Locations as determined by the UNIVERSITY during the Term. Additionally, UNIVERSITY shall permit PEPSI BOTTLING GROUP to sell Packaged Products through full service vending machines installed at each of the Locations.

### **3. Delivery and Installation Requirements**

Dispenser and vending equipment shall be delivered and installed by PEPSI BOTTLING GROUP in the locations listed on attachment "A" between 12/13/04 – 12/30/04. Scheduling of dispenser and vending equipment installations should be arranged with Sue Matthews, Executive Director of University Housing Services for CUHS at 831.460.1886 or Scott Berlin, Associate Director of UC Santa Cruz Dining at 831.459.5784. All installation and removal charges are to be covered by PEPSI BOTTLING GROUP.

PEPSI BOTTLING GROUP shall install, at its expense, at the Locations the minimum number and types of dispenser and vending machines specified in the Agreement's Exhibits and Specifications. PEPSI BOTTLING GROUP and UNIVERSITY shall mutually determine the extent to which any of the dispenser and vending machines are no longer required. These machines, determined to be no longer required, shall be promptly removed by PEPSI BOTTLING GROUP at PEPSI BOTTLING GROUP's expense.

All machines shall be equipped with all necessary safety devices which shall be maintained in operating condition at all times.

#### **4. Dispensing and Vending Machine Maintenance**

PEPSI BOTTLING GROUP shall at all times, at its expense, maintain the dispenser and vending machines, including any meters and special attachments, in proper mechanical working order and make all necessary repairs and replacement of parts. PEPSI BOTTLING GROUP will maintain the dispenser and vending machines, material handling equipment, and service vehicles in a clean, attractive, and sanitary condition. UNIVERSITY will provide custodial services for the immediate area around vending machines. The cleaning of (fronts, tops, behind,) shall be provided by PEPSI BOTTLING GROUP. For interior vending locations, UNIVERSITY is responsible for cleaning the vending alcove area (floor, walk). Machines (fronts, tops, behind, underneath) shall be the responsibility of PEPSI BOTTLING GROUP. In addition, the interiors of all equipment must be kept in a sanitary condition.

UNIVERSITY shall have the right to the inspection of any and all vending equipment at any time for sanitation and housekeeping reasons conduct bacteriological examinations of the vending machines and products vended by a qualified inspector. To this end, PEPSI BOTTLING GROUP will supply UNIVERSITY a designated representative with the necessary means to access all vending machines. UNIVERSITY agrees to notify PEPSI BOTTLING GROUP whenever such access is required.

At the time of initial installation, all dispenser and vending equipment shall be current production models in like-new condition. Like-new condition is defined as equipment purchased within the last 24 months. Invoices with serial numbers listed, may be required to verify date of manufacture. All vending equipment shall be coin operated and accept one (1) and five(5) dollar bills, heavy-duty commercial models, and from a nationally known manufacturer. All vending machines shall be equipped with a recording counter or meter to provide a record and check of individual sale against cash received. The initial meter or counter reader must be verified in writing by UNIVERSITY personnel. Vending machines are required to have four price changers and bill validators.

Any equipment that is reported as repeatedly malfunctioning during the contract period shall be removed and replaced with new equipment.

#### **5. Additional Equipment**

Additional vending machines will be required during the summer months to accommodate summer conference business as per location in attachment "B". These machines will be installed during the week before summer conference season each year and may be removed the week prior to the beginning of each academic term.

#### **6. Products and Pricing**

Products to be provided in the vending machines will primarily consist of those cold drinks in the following categories: carbonated soft drinks, as well as, isotonics, fruit juices, fruit juice beverages, bottled water, flavored teas and energy drinks.

Products to be provided in the fountain dispenser machines will consist of post mix bag-in-box carbonated beverages, fruit juice beverages, sports drinks, tea and flavored teas. The prepared beverage shall show no coagulation or gelatin, shall be free of foreign matter and shall not separate within four hours of standing.

Bottled and canned products will consist of carbonated beverages, fruit juice beverages, sports drinks, bottled water, coffee beverages, energy drinks, tea and flavored teas and energy drinks.

Products containing low sodium, low cholesterol, low or non-fat or other healthy alternative characteristics shall be promoted whenever economically feasible over similar products.

The initial vend prices shall be as follows:

20 oz. Carbonated Soft Drink	\$1.25
20 oz. Water	\$1.25
20 oz. Isotonics, if placed	\$1.50

Vend prices are subject to change during the Term, as mutually determined by PEPSI BOTTLING GROUP and the UNIVERSITY.

The Postmix Product and Packaged Product prices are set forth on Exhibit 3 attached hereto. UNIVERSITY recognizes that such pricing is available for one year from the date of execution of this Agreement. PEPSI BOTTLING GROUP shall notify UNIVERSITY thirty (30) days prior to any pricing changes. Price changes shall not to exceed 5% per product, per year.

## **7. Performance**

This Agreement, including all of PEPSI BOTTLING GROUP's support to the UNIVERSITY as described herein, is contingent upon the UNIVERSITY complying with all of the following performance criteria:

- (a) The Beverage Products shall be the exclusive products of their respective types sold, dispensed or otherwise made available, or in any way advertised, displayed, represented or promoted at or in connection with the Locations by any method or through any medium whatsoever (including without limitation print, broadcast, direct mail, coupons, handbills, displays and signage), whether public or private, provide such activity conforms to the provisions of the UNIVERSITY of California "Commercial Activities Policy" ([http://www2.ucsc.edu/judicial/Comm\\_Act\\_Policy.pdf](http://www2.ucsc.edu/judicial/Comm_Act_Policy.pdf)) and approved by the Regents of the UNIVERSITY of California.
- (b) PEPSI BOTTLING GROUP shall have the exclusive right to install beverage vending machines, retail single-serve food service beverage equipment and fountain service equipment (collectively, the "Equipment") at the Locations, provided that all terms are adhered to in this contract. PEPSI BOTTLING GROUP shall have the right to place full trademark panels on all sides of its Equipment.



- (c) The UNIVERSITY shall have brand identification for each Beverage Product served on all menuboards and, with regarding to Fountain Products, on postmix dispensing valves at each of the Locations throughout the Term.
- (d) The UNIVERSITY shall only use the Postmix Products for use in preparing the Fountain Products (i) in accordance with the standards established by Pepsi-Cola Company; and (ii) only for immediate or imminent consumption and shall not resell the Postmix Products either to nonaffiliated locations or to consumers in any form other than the Fountain Products.
- (e) The UNIVERSITY has provided PEPSI BOTTLING GROUP with a list of all Locations in the UNIVERSITY's system (see: section 22). The UNIVERSITY agrees that it shall promptly notify PEPSI BOTTLING GROUP, in writing, of any Location that is closed, sold or otherwise disposed of during the Term.
- (f) The UNIVERSITY shall purchase, and shall require that all food service operators and concessionaires selling Beverage Products at the Locations specified in this agreement, purchase all Beverage Products directly from PEPSI BOTTLING GROUP throughout the Term.

## **8. Funding**

In consideration of UNIVERSITY's performance of its obligations hereunder, including the grant of exclusive beverage availability rights, PEPSI BOTTLING GROUP shall make the following funding available to UNIVERSITY:

### **8.1 Sponsorship Fee**

Within forty-five (45) days following execution of this Agreement by both parties, PEPSI BOTTLING GROUP will advance to UNIVERSITY sponsorship fees in the amount of One Hundred Thousand Dollars (\$100,000) ("Sponsorship Fees"). It is understood between the parties that the amount of Sponsorship Fees to be advanced to the UNIVERSITY is based on a seven (7) year commitment. The Sponsorship Fees are earned by UNIVERSITY at the rate of \$14,286 per Year. If the UNIVERSITY breaches this Agreement or fails to exercise the options to renew the Agreement for two additional two-year periods as set forth in Section 1 herein, the UNIVERSITY will repay PEPSI BOTTLING GROUP the unearned portion of the advanced Sponsorship Fee payment. Such reimbursement shall be determined by multiplying One Hundred Thousand Dollars (\$100,000) by a fraction, the numerator of which is the number of months remaining between the time the Agreement is terminated and December 31, 2011 and the denominator of which is 84.

### **8.2 Marketing Support**

Pepsi will provide marketing programs in years Two through Seven to the University for a total annual value of Eleven Thousand Nine Hundred Sixty-Six Dollars (\$11,966) each Agreement Year (the "Marketing Programs"). The value of any Marketing Programs which are not executed during any Agreement Year will not be carried over to a subsequent Year and may not be

redeemed for cash value. Pepsi will notify the College of the dollar value attributable to each Marketing Promotion prior to the spending of the funds on such Promotion.

### **8.3 Rebate Funds**

Each year during the Term, PEPSI BOTTLING GROUP will accrue rebates at a rate of \$2.00 per Case and \$2.00 per Gallon on behalf of the UNIVERSITY (the "Rebate Funds"). Rebate Funds will not be paid on full service vending cases. The Rebate Funds will be due and payable within sixty (60) days after the end of each Year.

### **8.4 Product Donations**

In each of Years Two through Seven, PEPSI BOTTLING GROUP will donate **488** cases of 12oz cans to be used at the discretion of the UNIVERSITY. All requests will be prioritized and submitted by the office of Scott Berlin, Associate Director, UC Santa Cruz Dining at 831.459.5784

### **8.5 Recycling Program**

Each year of the agreement, PEPSI BOTTLING GROUP will provide One Thousand Dollars (\$1,000) to be used to support campus recycling programs. These funds will be due and payable within 60 days of the anniversary date of the agreement.

## **9. CO2 Tanks**

PEPSI BOTTLING GROUP is required to furnish carbon dioxide (CO2) in tanks of sufficient quantities to ensure proper operation and dispensing at no cost to the UNIVERSITY. Size of tanks may vary by location.

## **10. Entire Agreement and Modification**

This document is intended by the parties as the final and binding expression of their agreement and is a complete and exclusive statement of the terms thereof and supersedes all prior negotiations, representations, and agreements. Modifications to the agreement may only be made by mutual agreement in writing between the two parties.

## **11. Commission for Right of Operation**

PEPSI BOTTLING GROUP will pay the UNIVERSITY commissions on monies collected [less sales taxes and CRV (California Refund Value) recycling fees] from all sales of Beverage Products from PEPSI BOTTLING GROUP'S vending machines placed at the Locations at the commission rates specified below ("Commissions"):

All Beverage Products other than Gatorade	50%
Gatorade Products	40%

Any new Beverage Products sold through vending machines during the Term shall be at the prevailing market rate as established by PEPSI BOTTLING GROUP for such new Product and mutually agreed upon by the UNIVERSITY. PEPSI BOTTLING GROUP shall not be obligated to pay Commissions on documented revenue losses resulting from vandalism or theft or product with respect to any vending machines placed at the Locations.

## **12. Refunds**

PEPSI BOTTLING GROUP shall provide and maintain one (1) petty cash refund system of \$50.00 to reimburse customers for coin lost by machine malfunction.

## **13. Non-Assignment**

This contract, any part thereof, or any right or duty there under may not be assigned, delegated, or subcontracted by either party without the prior written approval of the other party, which approval may be granted or withheld within the sole discretion of such other party.

## **14. Payment**

Pepsi commission payments are to be made by check within thirty (30) days following the end of each four-week period during the Term, payable to "The Regents of the UNIVERSITY of California," and mailed to UCSC, Sue Matthews, Executive Director, University Housing Services, 1156 High Street, Santa Cruz, CA 95064. An itemized breakdown of collections by campus location, and product description *must* be included with each payment. In accounting for commissions, a breakdown of machines by location with appropriate sales, sales by category, commission by category, and product commission total, must be provided with each commission check.

UNIVERSITY will remit payment to PEPSI BOTTLING GROUP for delivery of Beverage Products pursuant to the terms of the separate Credit Agreement entered into between UNIVERSITY and PEPSI BOTTLING GROUP. Upon execution of this Agreement, PEPSI BOTTLING GROUP will provide the UNIVERSITY with the name and phone number of one of its Accounts Receivable Representatives with whom the UNIVERSITY may directly address any accounting issues related to this Agreement. **In addition, the PEPSI BOTTLING GROUP agrees to provide the names and contact information of three key account personnel to assist with any payment issues; the combination of these four individuals thereby guaranteeing a return call within 24 hours, Monday through Friday.**

## **15. Taxes and Fees**

UNIVERSITY acknowledges and agrees that neither PEPSI BOTTLING GROUP nor its affiliates shall be responsible for any taxes payable, fees or other tax liability incurred by the UNIVERSITY in connection with any fees payable by PEPSI BOTTLING GROUP under this Agreement. In addition, PEPSI BOTTLING GROUP shall be responsible only for the payment of taxes on the sales of products through vending machines. PEPSI BOTTLING GROUP shall not be assessed



common area maintenance fees, taxes or other charges based on its occupation of the space allocated to its vending machines or other equipment.

PEPSI BOTTLING GROUP shall obtain all necessary permits and licenses for the installation and operation of the vending machines in its name and at its expense.

#### **16. Service Requirements**

(a) PEPSI BOTTLING GROUP shall work with the UNIVERSITY to provide the maximum quality of service and public relations with students, faculty, staff and visitors. All maintenance service and replacement costs regarding the equipment are the responsibility of PEPSI BOTTLING GROUP.

(b) PEPSI BOTTLING GROUP will provide seven days a week, twenty-four (24) hour response service, for all Equipment related issues. PEPSI BOTTLING GROUP will provide repair service to defective and/or malfunctioning Equipment within twenty-four (24) hours from receipt of verbal notification, from the UNIVERSITY. Any defective and/or malfunctioning Equipment which cannot be repaired onsite shall be replaced within five (5) days, from time of first notification by UNIVERSITY.

#### **17. UNIVERSITY Rights Concerning Product and Service**

The UNIVERSITY reserves the right to have designated representative's review, inspect, evaluate, and recommend changes in the operation and condition of the services at any time, and generally with respect to safety and maintenance of the equipment, all of which shall be maintained at levels satisfactory to UNIVERSITY.

#### **18. Contract Termination**

Either party may terminate this Agreement for cause, provided, however, that the terminating party has given the other party written notice of the breach or other cause and the other party failed to remedy or cure the breach or other cause within thirty (30) days of such notice.

If PEPSI BOTTLING GROUP terminates this Agreement for cause, then in addition to any other remedies to which PEPSI BOTTLING GROUP may be entitled, UNIVERSITY will reimburse to PEPSI BOTTLING GROUP the unearned portion of the Sponsorship Fee as set forth in Section 8.1 herein.

Either party may terminate this Agreement if the other party violates or fails to abide by existing laws, codes, rules or regulations set forth by all appropriate authorities having jurisdiction in the location where this work is to be performed; provided however, that the terminated party has given the other party written notice of the violation and the other party failed to remedy or cure the violation within thirty (30) days of such notice.

If PEPSI BOTTLING GROUP's right to sell any one or more of the Beverage Products at the Locations is limited by way of final judicial opinion, imposition or modification of any local, state or federal laws and/or regulations, the UNIVERSITY and PEPSI BOTTLING GROUP agree to make a good faith effort to renegotiate the support provided to the UNIVERSITY in this agreement to an amount equal to the then-current ongoing fees PEPSI BOTTLING GROUP would pay for the right to market and sell the Beverage Products unaffected by such law or regulation.

#### **19. Insurance Requirement**

PEPSI BOTTLING GROUP shall maintain, throughout the term of its performance of the Contract and any extension thereof, a policy of automobile, general liability insurance, fire legal liability and broad form property damage liability including an endorsement to the General Liability coverage, and completed operations coverage, with limits of liability specified, as "Moderate" on the UNIVERSITY'S web-site: <http://matman.ucsc.edu/matman/purchasing/InsuranceOverview.htm> for bodily injury and property damage, and Workers' Compensation Insurance in accordance with the Labor Code of the State of California covering all PEPSI BOTTLING GROUP's employees providing service under the Contract. PEPSI BOTTLING GROUP shall cause its insurers to endorse PEPSI BOTTLING GROUP's policy to name the "Regents of the UNIVERSITY of California, its officers, agents, and employees" as additional insured for liability arising out of PEPSI BOTTLING GROUP's performance of the contract, and providing for 30 days prior written notice to the UNIVERSITY of cancellation of PEPSI BOTTLING GROUP's insurance. No later than ten (10) business days prior to PEPSI BOTTLING GROUP beginning performance of the Contract, PEPSI BOTTLING GROUP shall provide UNIVERSITY's Purchasing Department with a certificate of insurance evidencing that the above insurance coverage are in full force and effect. If any of PEPSI BOTTLING GROUP's insurance is written on commercial claims made form, such insurance coverage shall survive for a minimum of three (3) years following termination or completion of the Contract.

#### **20. Indemnification**

PEPSI BOTTLING GROUP will indemnify and hold the UNIVERSITY harmless from any and all suits, actions, claims, demands, losses, costs, damages, liabilities, fines, expenses and penalties (including reasonable attorneys' fees) arising out of: (i) its breach of any term or condition of this Agreement; (ii) product liability suits resulting from the use or consumption of the Beverage Products; and/or (iii) the negligence or willful misconduct of PEPSI BOTTLING GROUP.

UNIVERSITY will indemnify and hold PEPSI BOTTLING GROUP, its subsidiaries, affiliates or assigns harmless from and against any and all suits, actions, claims, demands, losses, costs, damages, liabilities, fines, expenses and penalties (including reasonable attorneys' fees) arising out of: (i) its breach of any term or condition of this Agreement; and/or (ii) the negligence or willful misconduct of the UNIVERSITY.

## **21. UNIVERSITY Standard Terms and Conditions**

Appendix A, UNIVERSITY Standard Terms and Conditions shall apply to any purchase order resulting from this Agreement except as specifically excepted in this Agreement.

## **22. SPECIFICATIONS**

### **A. NON VENDING BEVERAGE SERVICE**

#### **Equipment and Locations**

Ten flavor post-mix, electrically operated combined dispenser units (quick dispensing units.) Locations of dispensers are permanent. Bag-in-box multi-dispenser unit with a remote location to draw syrup is needed. (Example: 3 boxes of one product on one line, 25 feet away from dispenser) Some units must have the quick ice dispensing capability (ability to accept ice maker-Hoshizaki America Inc.). Additional units may be needed in the future.

#### **UDS Locations**

Porter College	1 unit
College 8	2 units
College 9/10	3 units
Crown/Merrill	3 units
BJ's	1 unit
Cowell/Stevenson	2 units
Oakes Café	1 unit
ARCAfe	1 unit
University Center	2 units

Remote dispensing location to be provided with bag-in-box racks, hose line, all necessary fittings and supplies by PEPSI BOTTLING GROUP. Setup of the above is required. All free standing racks and CO2 tanks must be secured to meet seismic and safety requirements at PEPSI BOTTLING GROUP's cost.

All dispensers must be equipped with locks and/or shut off device and a separate water supply shut off.

Lockable single or double door reach-in visi-coolers for six (6) retail operations.

Pre-mix or portable dispensing units available upon request for special events.

Product truck available upon request.

#### **Additional requirements:**

- Lighted, write-on signs for retail operations upon request
- Banners
- Lighted neon signs upon request
- Tilting shelf display racks for coolers.
- Cup display dispenser racks for cash operations.



Promotional Items

- Games
- T-shirts, sweatshirts
- Sweepstakes
- Other available promotional programs

Small lockable table-top display coolers available upon request.

All equipment should be new or like new and kept maintained  
Malfunctioning equipment shall be replaced with new equipment if repair is not possible.

PEPSI BOTTLING GROUP representative shall visit each location with Associate Director, Dining, Scott Berlin to confirm machines and locations.

Additional equipment may be needed as new operations are established.

B. BEVERAGE VENDING ("Packaged Products" Alone)

Equipment and Locations

All machines shall be UL, NSF and NAMA approved. Currently there are 38 machines in place and the objective is to continue with at least 38 machines. PEPSI BOTTLING GROUP, after a market survey done by PEPSI BOTTLING GROUP and at PEPSI BOTTLING GROUP's expense, may recommend additional machines for installation that will fall under the terms of this contract. See Exhibit 1 for machine locations.

Electronic Debit Card System

The UNIVERSITY has a long-range plan to implement a campus-wide one-card system whereby the student registration card will be the mechanism for accessing a variety of services including vending.

Specified equipment (as agreed upon below) must be modifiable to accommodate both coin operations and electronic debit card use, if available for purchase and ADA compliant (future development). If not currently manufactured and/or ADA compliant, the UNIVERSITY agrees to accept machines which will accept only electronic debit card, provided they are placed in high volume areas, adjacent to a coin operated machine, dispensing PEPSI products. PEPSI BOTTLING GROUP agrees to purchase and install five (5) debit card readers in designated vending machines in each of Years Two through Four at a maximum cost per card reader of One Thousand Dollars (\$1,000) (not including installation). The purchase and installation of any additional debit card readers is the responsibility of the UNIVERSITY. With regard to the debit card readers purchased by it, PEPSI BOTTLING GROUP agrees to pay an annual maintenance fee of \$106 per reader to the UNIVERSITY. PEPSI BOTTLING GROUP will work with the UNIVERSITY to ensure that the installation, when completed will function with the UNIVERSITY system. PEPSI BOTTLING GROUP will also be responsible for removal and/or

reinstallation of interface kits when necessary for repair or replacement and safekeeping of said interface kits during removal and reinstallation. PEPSI BOTTLING GROUP will not be responsible for any transaction on the debit card readers affixed to its vending machines. The UNIVERSITY shall arrange for the collection of monies from debit card transactions on vending machines equipped with debit card readers. Once each four week accounting period (as established by PEPSI BOTTLING GROUP) during the Term, UNIVERSITY will remit payment to PEPSI BOTTLING GROUP for the monies collected through debit card readers. along with a gross sales report.

#### Audit for Debit Card Systems

At such time that the UNIVERSITY switches over to a debit card system, the UNIVERSITY and PEPSI BOTTLING GROUP will agree upon an audit mechanism enabling the supplier to audit the UNIVERSITY.

#### Specifications for Service-Dispenser Beverage and Beverage Vending

All equipment furnished is to be maintained in operating condition throughout the period of the contract. Maintenance is to be provided Monday through Saturday, 7:30 A.M. to 5 P.M. at no charge. Service on Sunday will be only for emergencies and at no charge to the UNIVERSITY.

Response time to service calls shall be twenty-four (24) hours or less.

Electricity will be furnished and paid for by the UNIVERSITY.

The number of machines may be increased or decreased according to need. The decision to move a machine shall be covered by a written change order from the UNIVERSITY'S Purchasing Department and shall be mutually agreed to by the parties, such agreement not to be unreasonably withheld.

All equipment must have signs with directions for service calls, as well as a local phone number to call in the event service is needed or refunds required.

Sue Matthews, the Executive Director of University Housing Services for CUHS, will be the UNIVERSITY's representative for control and collections.

PEPSI BOTTLING GROUP must provide a toll free phone number for service calls or accept collect calls.

### **23. General Terms**

(A) Expiration. Upon expiration of this Agreement, if UNIVERSITY has not entered into a further agreement with PEPSI BOTTLING GROUP for the purchase of Fountain Products and Packaged Products, UNIVERSITY shall, at UNIVERSITY's election, either reimburse PEPSI BOTTLING GROUP for the current fair market value of the Equipment (as reasonably determined by PEPSI BOTTLING GROUP, applying generally accepted accounting standards)

or surrender to PEPSI BOTTLING GROUP all Equipment installed in the Locations, whether leased, loaned or otherwise made available by PEPSI BOTTLING GROUP.

(B) Right of Offset. PEPSI BOTTLING GROUP reserves the right to withhold payments due hereunder as an offset against amounts not paid by UNIVERSITY for Postmix Products and Packaged Products ordered by and delivered to UNIVERSITY. .

(C) UNIVERSITY Representation. UNIVERSITY represents and warrants to PEPSI BOTTLING GROUP that the execution, delivery and performance of this Agreement by UNIVERSITY will not violate any agreements with, or rights of, third parties.

(D) Non-Disclosure. Except as may otherwise be required by law or legal process, neither party shall disclose to unrelated third parties the terms and conditions of this Agreement without the consent of the other.

(E) Governing Law. This Agreement shall be governed by the laws of the State of California.

**Bottling Group, LLC  
d/b/a The Pepsi Bottling Group**

By: JAMES A. WILSON  
Title: President of Pepsi Bottling Group  
Signature: [Redacted]  
Date: 02-16-06

**Concurrence:**

By: Tim Rodriguez  
Title: Key Account Manager  
Signature: [Redacted]  
Date: 2-16-06

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**Regents of the University of California  
on behalf of its Santa Cruz Campus**

By: Phil Nole  
Title: Director of University Business Services  
Signature: [Redacted]  
Date: 02/16/06

**Concurrence:**

By: Scott B. Berlin  
Title: Director of Dining & Hospitality Services  
Signature: [Redacted]  
Date: 2/16/06

By: Gail Hopper  
Title: Director of Purchasing  
Signature: [Redacted]  
Date: 2/16/06



**Exhibit 1 - Existing Beverage Vending Locations**

ARCafe	20oz BEVERAGE
APPLIED SCIENCE 1 <sup>ST</sup> FL	20oz BEVERAGE
APPLIED SCIENCE 3 <sup>RD</sup> FL	JUICE
APPLIED SCIENCE 3 <sup>RD</sup> FL	20oz BEVERAGE
COLLEGE 10 GAME ROOM	20oz BEVERAGE
COLLEGE 8 CAFÉ	20oz BEVERAGE
COLLEGE 8 DORM AL	20oz BEVERAGE
COLLEGE 8 DORM DL	20oz BEVERAGE
COLLEGE 9 1 <sup>ST</sup> FL	20oz BEVERAGE
COLLEGE 9 DORM 5 LAUNDRY	20oz BEVERAGE
COMMUNICATIONS	20oz BEVERAGE
COWELL HEALTH CENTER	20oz BEVERAGE
CROWN FIRESIDE LOUNGE	20oz BEVERAGE
CROWN LAUNDRY	20oz BEVERAGE
EARTH MARINE SCIENCE 3 <sup>RD</sup>	JUICE
EARTH MARINE SCIENCE 3 <sup>RD</sup>	20oz BEVERAGE
FAMILY HOUSING	20oz BEVERAGE
GARAGE / 1156 HIGH STREET	CAN BEVERAGE
GRADUATE STUDENT LAUNDRY	CAN BEVERAGE
HAHN STUDENT SERVICES	BOTTLE BEVERAGE
HAHN STUDENT SERVICES	20oz BEVERAGE
KERR HALL 2 <sup>ND</sup> FLOOR	20oz BEVERAGE
KRESGE LAUNDRY	20oz BEVERAGE
LIBRARY	CAN BEVERAGE
LIBRARY	20oz BEVERAGE
LIBRARY BASEMENT	20oz BEVERAGE
LONGS MARINE LAB	20oz BEVERAGE
MERRILL COLLEGE DORM B	20oz BEVERAGE
MERRILL COLLEGE DORM B	20oz BEVERAGE
MUSIC CENTER	CAN BEVERAGE
MUSIC CENTER	20oz BEVERAGE
NATURAL SCIENCE 2-2 <sup>ND</sup> FL	20oz BEVERAGE
OAKES CASA HUERTA	20oz BEVERAGE
OAKES COLLEGE-OUTSIDE	20oz BEVERAGE
PARKMAN	20oz BEVERAGE
PERFORMING ARTS	CAN BEVERAGE
PERFORMING ARTS	CAN BEVERAGE
PORTER COLLEGE LOBBY	20oz BEVERAGE
SINSHEIMER 3 <sup>RD</sup> FL	20oz BEVERAGE
STEVENSON DORM 1	BOTTLE TROP
STEVENSON DORM 5	20oz BEVERAGE
STEVENSON HALLWAY	20oz BEVERAGE

THE VILLAGE BREAKROOM	20oz BEVERAGE
THIMAN LAB 1 <sup>ST</sup> FL	CAN BEVERAGE
THIMAN LAB 1 <sup>ST</sup> FL	CAN BEVERAGE
TURNER LAUNDRY	20oz BEVERAGE
UNIVERSITY BUSINESS PARK	20oz BEVERAGE
UNIVERSITY BUSINESS PARK	20oz BEVERAGE

Exhibit 2 – Summer Vending Requirements  
Additional Vending Machines early June through August

For summers, we again request that snacks be of the hearty nature. Often conference and program participants arrive past meal hours, relying on the vending machines to provide sustenance until the following morning.

Our adult populations will be located primarily at Crown/Merrill Apartments, College Eight Apartments, Kresge/Kresge East Apartments and College Nine Apartments. The residential halls at Cowell/Stevenson, Merrill, Crown, College Eight, Oakes, Porter and Nine/Ten Colleges will house the majority of our youth programs. Again we make a specific request for our youth programs of reducing the caffeine for the evenings when these snacks are mostly purchased.

EAST CAMPUS

Cowell College:

Beverage Vending machine be placed along the passageway leading to the dining hall, on the wall past the passage leading to the servery hall. This is with Cowell College approval.

Request:  
Stevenson College:

Juices and iced tea to be included in soda machine.

Request:

Vending locations are to be House #1 lobby [drink machine]  
Juices and iced tea to be included in soda machine, mostly diet.

Crown College:

Machines are located in the Fireside Lounge of Crown College and are to be relocated in the mailroom.

Request:

Juices and iced tea to be included in drink machine.

Crown/Merrill Apt:

Soda machine to be located in laundry room directly across from the Crown/Merrill Community Room.

Request:

Juices and iced tea to be included in drink machine. Bottled drinking water, if at all possible.

College Nine/Ten:

Soda machine location TBD.

Request:

Juices and iced tea to be included in drink machine.  
Bottled drinking water, if at all possible.

WEST CAMPUS

Porter College:

Soda machine located within entrance to Porter mailroom. Entrance to dining hall will be locked when Fireside Lounge not in use, otherwise access to restrooms required.

Request: Juices and iced tea to be included in drink machine

College 8 Apt.: A drink machine located outside the College Eight Administration Office's overhang.

Request: Juices and iced tea to be included in drink machine. Bottled drinking water, if at all possible.

Exhibit 3

“Beverage Product” Pricing

UC SANTA CRUZ

**Bottle & Can Product Pricing**

<u>Product</u>	<u>Size</u>	<u>Units/Case</u>	<u>Case Price</u>	<u>Rebates</u>
Carbonated Soft Drinks	12 oz.	24	\$ 6.00	\$2.00/case
Carbonated Soft Drinks	20 oz.	24	\$12.00	\$2.00/case
Aquafina Water	20 oz.	24	\$ 7.00	\$2.00/case
Tropicana Juice Drink	20 oz.	24	\$12.00	\$2.00/case
Dole Juice	16 oz.	12	\$ 8.00	\$1.00/case
Sobe	20 oz.	12	\$11.00	\$1.00/case
Gatorade	20 oz.	24	\$14.50	\$2.00/case
Lipton Brisk	20 oz.	24	\$12.00	\$2.00/case
Frappuccino	9.5 oz.	24	\$25.00	\$2.00/case

A complete listing of products, flavors and packages is provided on page 19 of this proposal.

**\*Price Increases /Current pricing is good for 1 year**

Prices will be held firm for the first year of the contract. After the first year, an annual price increase not to exceed 5% per year will be applied to the previous year's case price. Price increases will be justified by changes in raw materials or other costs, and will be presented to the College no less than 30 days before implementation.

**Preferred Brands**

**Marketing Expertise**

**Service Excellence**

**Student Life Enhancement**



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UC SANTA CRUZ

**Fountain and Supply Pricing**

<u>Product</u>	<u>Size</u>	<u>Units/Case</u>	<u>Case Price</u>	<u>Rebates</u>
Fountain Bag in the Box	BIB	5gal	\$4.00/gal	\$2.00/gal
Dr. Pepper	BIB	5gal	\$4.00/gal	\$2.00/gal
Lipton Lemonade	BIB	5gal	\$4.00/gal	\$2.00/gal
Gatorade Fruit Punch	BIB	3gal	\$4.00/gal	\$2.00/gal
Cups	16 oz.	2000	\$46.50	N/A
Cups	22 oz.	1000	\$41.07	N/A
Cups	32 oz.	480	\$34.93	N/A
Lids	16/22 oz.	2000	\$29.11	N/A
Lids	32 oz.	960	\$34.93	N/A
CO2	20 or 50 LB.		No Charge	N/A

A complete listing of products, flavors and packages is provided on page 35 of this proposal.

**\*Price Increases /Current pricing is good for 1 year**

Prices will be held firm for the first year of the contract. After the first year, an annual price increase not to exceed 5% per year will be applied to the previous year's case price. Price increases will be justified by changes in raw materials or other costs, and will be presented to the College no less than 30 days before implementation.

**Preferred Brands**

**Marketing Expertise**

**Service Excellence**

**Student Life Enhancement**



19

University of California – The Pepsi Bottling Group

**SECOND ADDENDUM TO AGREEMENT BETWEEN  
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
AND THE PEPSI BOTTLING GROUP**

This Second Addendum to the above reference agreement is by and between The Pepsi Bottling Group ("Contractor") and The Regents of the University of California on behalf of its Santa Cruz campus, a California corporation ("University") effective as of the latest date of execution set forth below.

**RECITALS**

- A. University and Contractor entered into that certain Beverage Vending Service Agreement dated January 1, 2005, (the "Agreement") for services as more particularly described in the Agreement which the parties have agreed to modify and effect adjustments related to pricing.

**NOW, THEREFORE**, in consideration of the promises herein contained and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions: Except as expressly modified herein, terms defined in the Agreement shall have the same meanings when used in this Amendment.
2. Pricing: Effective July 1, 2008, Contractors pricing for Full Service Vending products provided to the University and identified as EXHIBIT A, attached herein. Pricing on the new list shall be firm and fixed thru December 31, 2009.
3. Amendment: Except as modified hereby, all of the terms and conditions of the Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment effective as of the latest date of execution set forth below.

THE REGENTS OF THE UNIVERSITY  
OF CALIFORNIA, ON BEHALF OF IT'S  
SANTA CRUZ CAMPUS

By: \_\_\_\_\_

Name: Deb Newman

Title: Strategic Sourcing Buyer

Date: 7/24/08

CONTRACTOR  
THE PEPSI BOTTLING GROUP

By: \_\_\_\_\_

Name: Marcie Escalante

Title: Key account Manager

Date: 7/21/08

SIGNATURES OF CONCURRENCE

By: \_\_\_\_\_

~ Scott Berlin, Director, Dining & Hospitality Services (Date)



University of California – The Pepsi Bottling Group

**EXHIBIT “A”**



**To Our Valued FoodService Vending Customer:**

As you are likely aware, many of the commodities and services used in producing, marketing and distributing consumer products of all types are facing unprecedented increases that we expect to continue in 2008. In order to accommodate these increases, it is necessary to adjust the prices on all Full Service Vending machines throughout Northern California effective July 2008.

PBG appreciates the opportunity to provide you with high quality beverages, free vending equipment, dependable service and convenience. This pricing change will enable PBG to continue to provide the best products, equipment, service, and repair. This price increase initiative should be understood and accepted by most consumers, since these pricing levels are one's that your employees and customers are well-accustomed to in the general retail market. The details for the new pricing structures are as follows:

- |   |        |
|---|--------|
| • Carbonated Soft Drinks  | \$1.50 |
| • Non Carb including: Aquafina, Tropicana, Flavored Waters and Teas | \$1.50 |
| • Gatorade, G2, Sobe Life Water and Propel                          | \$1.75 |
| • Dole Juice  | \$1.75 |
| • Energy  | \$2.50 |

I will also be reviewing your bottle and can pricing over the next couple of weeks and will be sending out communication on those changes, if any, once completed. I have listed the vending retails to help you determine retail prices for: Campus dining, bookstores, C-Stores etc...to gain alignment throughout the campus.

Your understanding is appreciated during this tough economic period, as PBG is committed to providing you with the highest quality brands.

Thank you for your business. If you have any questions, please feel free to call me or email me directly.

Sincerely,

Marcie Escalante  
Key Account Manager  
NorCal Coast Market Unit  
(707) [REDACTED]